

Message Text

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TO AMEMBASSY PRAGUE
INFO AMEMBASSY BERLIN
AMEMBASSY BELGRADE
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L STATE 070167

E.O. 11652: GDS

TAGS: EEW, HU

SUBJECT: US - HUNGARIAN TRADE AGREEMENT

REF: PRAGUE 0649

1. THE ASSURANCES RECEIVED FROM HUNGARY INCLUDE THREE SEPARATE ELEMENTS. FIRST, THE STATEMENTS MADE TO US BY HUNGARIAN OFFICIALS ABOUT THEIR EMIGRATION LAW, PRACTICE AND HANDLING OF INDIVIDUAL PROBLEM CASES. THESE HAVE BEEN CHECKED AGAINST OUR EXPERIENCE AND THE EXPERIENCE OF OTHER COUNTRIES. SECOND, HUNGARY'S GENERALLY POSITIVE RECORD ON EMIGRATION WHICH IS SUPPORTED BY OTHER SOURCES (E.G. DIPLOMATIC COLLEAGUES IN BUDAPEST, JEWISH ORGANIZATIONS, ETC.). AND FINALLY, A RECENT EXCHANGE OF LETTERS BETWEEN
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AMBASSADOR KAISER AND THE GOH FOREIGN MINISTER ON THE DEVELOPMENT OF BILATERAL RELATIONS IN WHICH HUNGARY HAS CONFIRMED THE CONSTRUCTIVE NATURE OF ITS FUTURE EMIGRATION POLICY.

2. WE HAVE DESCRIBED THE ASSURANCES TO MEMBERS OF CONGRESS, COMMITTEE STAFF, ETC. AS A "PACKAGE" AND WE PLAN TO CON-

TINUE TO EXPLAIN THEM IN THIS WAY. WE WILL ALSO APPEND THE EXCHANGE OF LETTERS TO THE PRESIDENT'S LETTER TRANSMITTING THE TRADE AGREEMENT TO CONGRESS FOR APPROVAL. THE

GOH HAS EXPRESSED THE DESIRE TO HAVE THE EXCHANGE MADE PUBLIC, SO THAT OTHER WARSAW PACT MEMBERS CANNOT ACCUSE HUNGARY OF HAVING MADE A SECRET DEAL WITH THE US.

3. TEXT OF GOH LETTER TO US IS AS FOLLOWS:

BEGIN TEXT. DEAR MR. AMBASSADOR:

I WISH TO TAKE THIS OPPORTUNITY TO NOTE OUR RECENT CONVERSATION ON TOPICS OF MUTUAL INTEREST AND TO CONVEY MY GOVERNMENT'S VIEW REGARDING THE FUTURE DEVELOPMENT OF RELATIONS BETWEEN OUR TWO COUNTRIES.

THE EXCHANGE OF VIEWS CONDUCTED ON JANUARY 7, 1978, IN BUDAPEST WITH MR. CYRUS VANCE, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, PROVIDED A VALUABLE OPPORTUNITY TO REVIEW THE RELATIONS BETWEEN OUR COUNTRIES. ON OUR PART I ACKNOWLEDGED WITH SATISFACTION THE PROGRESS ACHIEVED DURING THE PAST FEW YEARS.

WE ALSO REVIEWED WITH SECRETARY VANCE QUESTIONS RELATED TO SECURITY AND COOPERATION IN EUROPE. THE HUNGARIAN
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AND THE AMERICAN SIDES EMPHASIZED EQUALLY THAT BOTH COUNTRIES STRIVE FOR THE FULL IMPLEMENTATION OF THE HELSINKI FINAL ACT.

BOTH OUR COUNTRIES HAVE REPEATEDLY CONFIRMED THAT, CONCERNING CASES OF EMIGRATION, THEY UNDERTAKE TO ACT IN ACCORDANCE WITH THE LETTER AND SPIRIT OF THE FINAL ACT OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE, AND TO DEAL WITH THEM PROMPTLY, CONSTRUCTIVELY, AND WITH GOOD WILL.

BOTH SIDES CONCLUDED THAT IMPLEMENTATION OF THE FINAL ACT HAS BROUGHT ABOUT POSITIVE RESULTS IN HUNGARIAN-AMERICAN RELATIONS. BOTH SIDES EMPHASIZED THAT THERE ARE STILL MANY UNUSED POSSIBILITIES TO DEVELOP MUTUALLY ADVANTAGEOUS COOPERATION.

ON THE BASIS OF OUR DISCUSSIONS WITH SECRETARY VANCE, I CONCLUDED THAT THE UNITED STATES WISHES THE CONTINUED DEVELOPMENT OF RELATIONS BETWEEN THE TWO COUNTRIES.

THUS, I SHOULD DEEM IT BENEFICIAL IF BOTH THE UNITED

STATES AND HUNGARY CONTINUE THE REVIEW OF PROPOSALS WHICH, IN HARMONY WITH THE PRINCIPLES OF THE FINAL ACT, WOULD PROMOTE THE DEVELOPMENT OF OUR POLITICAL, ECONOMIC, COMMERCIAL, CULTURAL AND SCIENTIFIC RELATIONS. THE GOVERNMENT

OF HUNGARY IS READY TO CARRY OUT NEGOTIATIONS TO THIS END WITH YOUR GOVERNMENT.

PLEASE ACCEPT, MR. AMBASSADOR, THE ASSURANCES OF MY HIGHEST CONSIDERATION.

SINCERELY YOURS,

FRIGYES PUJA
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MINISTER OF FOREIGN AFFAIRS. END TEXT.

4. TEXT OF US LETTER TO GOH MERELY REPEATS IN SUBSTANCE THE LANGUAGE IN THE GOH LETTER.

5. PENDING PUBLICATION OF THESE LETTERS, WE WANT THE TEXTS HELD CLOSELY. ONCE THEY ARE MADE PUBLIC, WE WILL AUTHORIZE YOU TO MAKE THE TEXTS AVAILABLE TO HOST GOVERNMENTS (OR ANYONE ELSE) AT THEIR REQUEST. WE ANTICIPATE RECEIVING SIMILAR REQUESTS FROM EMBASSIES HERE AND WILL PROCEED IN THE SAME MANNER.

6. THE FORMULA AND TIMETABLE FOR GRANTING MFN IS LARGELY PRESCRIBED BY THE TRADE ACT, TITLE IV. THE AGREEMENT WILL NOT GO INTO EFFECT, NOR WILL MFN BE EXTENDED, UNTIL APPROVED BY A MAJORITY IN BOTH HOUSES OF CONGRESS. WE WILL CIRCULATE COPIES OF IT BY AIRGRAM TO INTERESTED POSTS.
VANCE

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NNN

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